GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3693
ANSWERED ON:18.04.2000
PRIVATISATION OF NFL BATHINDA
BHAN SINGH BHAURA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether National Fertilizers Ltd., Bathinda is functioning satisfactorily since its establishment;

(b) if so, whether the Government have decided to privatise it;

(c) if so, the reasons therefor;

(d) whether the workers and officers of NFL have submitted a memorandum against this decision of the Government; and

(e) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI RAMESH BAIS)

(a) : Bathinda plant of National Fertilizers Ltd.(NFL) wascommiissioned on 1.10.1979. It could initially achieve average capacity utilisation of 67.02% of its ammonia plant due to various bottlenecks and unstable electric supply. With the commissioning of the Captive Power Plant in 1989, the unit achieved 100% capacity utilisation in 1991-92 and is presentlyoperating above its rated capacity. However, the unit is incurring losses mainly due to old and cumbersome technology resulting in higher energy consumption, high cost of repairs and maintenance and meagre capital related charges on account of plants being fully depreciated.

(b) to (e) : Government has decided to disinvest a total of 51% of National FertilizerLimited's(NFL) equity held by the Government through strategic sale to a strategic buyer alongwith the transfer of management control. This action is in line with the Government's declalred policy to bring down Government equity in all non-strategic Public SectorUndertakings (PSUs) to 26% or less.Workers and Officers of NFL have represented against the proposed disinvestment of Government of India equity in NFL. Policy of disinvestment is a well thought out policy which includes fully protecting the interests of workers.